GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4521
ANSWERED ON:12.08.2016
Mechanism to Check Irregularities
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Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government has inspected/investigated the companies found guilty of alleged irregularities during the last three years and if so, the details thereof, company-wise;

(b) whether the Government has taken steps including suitable amendments the relevant laws to effectively keep a check on the frauds/irregularities practiced by such companies with the investors and if so, the details thereof;

(c) whether the Government proposes to introduce a new investigation mechanism for companies functioning in the country; and

(d) if so, the details thereof along with the salient features of the proposed mechanism?

Answer

THE MINISTER OF STATE IN THE (SHRI ARJUN RAM MEGHWAL)
MINISTRY OF CORPORATE AFFAIRS

(a) Yes, Madam. As per table below:

Year	Inspection reports	Investigation reports
2013-14	44	23
2014-15	34	40
2015-16	31	63

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(b) Government has taken the following measures to curb and prevent corporate frauds:

(i) 'Fraud' as a substantive offence has been introduced in the Companies Act, 2013

(ii) Statutory status to the Serious Fraud Investigation Office has been granted under the said Act.

(iii) Stricter norms of Corporate Governance and their implementation under the Companies Act, 2013

(iv) Application of technology for early detection of frauds through data analysis, surveillance and usage of forensic tools, etc.

(c) and (d) Presently, there is no proposal to review the existing investigation mechanism under the Companies Act, 2013.

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